

Clinic Dispensed Drugs and Contraceptive Supplies

February 2007

Presented by:

California Department of Health Services

Office of Family Planning



Sex, Drugs, and





Family PACT Clinical Projects 2005-07

- Provider Profiles
- Program benefits/ streamline coding
- ☑ Clinical Practice Alerts: 4 per year
- Policies for clinic dispensed medications
- ☑ Update the Family PACT PPBI
- ☑ Complications covered under Family PACT
- ☐ HIPAA code compliance (S-code, NDC, NPI)
- □ CPT and ICD coding policies and training



Pharmacy Issues: Background

- Drugs in Family PACT can be dispensed from
 - Medi-Cal contracted pharmacies
 - On-site by enrolled providers (mostly clinics)
- Pharmacy-dispensed drugs
 - Are subject to Medi-Cal policies
- Clinic-dispensed drugs
 - Are subject to Family PACT policies
 - By prior PPBI policy, must be billed "at cost"



Pharmacy Dispensed Drugs

- Payment limits, unit limits, and fill frequencies are specified on-line to contracted pharmacies
- Payment policies
 - Dispensing fee: \$7.25 per prescription (not per unit)
 - Generics: federal upper limit (FUL) or average wholesale price (AWP)-17%
 - Brand name (single source) drugs
 - AWP-17% to pharmacy
 - Minus confidential federal rebates
- 60% of Family PACT program drug costs are for pharmacy dispensed drugs

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Clinic Dispensed Drugs

- Drugs and contraceptive supplies account for 48% of total reimbursement to clinics that offer them
- OCs have highest volume and cost of clinic-dispensed medications (42% of all drugs/ supplies)
- Z7610 (miscellaneous drugs) account for <10% total drug/ supply claims



Clinic Dispensing Fees (CDF)

- State legislation
 - **AB2151 (2004), AB77 (2005)**
- Welfare and Institutions Code 14132.01
 - Signed, chaptered in fall 2005
 - Applies to Family PACT and Medi-Cal
 - Provides statute allowing clinic dispensing fees



AB 77: Clinic Dispensing Fees

- Applies primarily to community and free clinics
- Must bill "at cost": acquisition cost of the drug plus a clinic dispensing fee (CDF) of no more than \$12
 - Emg Cont: max CDF is \$17 "per prescription"
- CDF is billed "per unit" set by Family PACT PPBI
- FQHC's, rural health centers cannot bill CDF, unless reimbursed for drugs fee-for-service
- Reimbursement is the lesser of the amount billed or the net Medi-Cal reimbursement rate

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CMS Waiver Expectations

- The Family PACT Section 1115 Waiver provides federal financial participation (FFP) for drugs
 - 90% FFP: contraceptives
 - 50% FFP: STI drugs
- "All requirements of the Medicaid program expressed in law not expressly waived...will apply to California's Family PACT program"
- The FUL Program...limits are intended to assure that the Federal government acts as a prudent buyer of drugs

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Development of the Clinic Dispensing Policy

- The challenge
 - Implement CDFs (AB77)
 - "Clean up" Z7610 problem (over-utilization)
 - Align pharmacy and clinic dispensing policies and rates
 - Fiscal responsibility to CMS and the State
- Met and conferred with
 - Medi-Cal Pharmacy Branch
 - EDS
 - Family PACT Provider Workgroup
 - Family PACT Stakeholder's Group



Policy for Clinic Dispensed Drugs

- Objectives
 - Integrate dispensing fees per assembly bill (AB) 77
 - Establish Fixed Payment Rates, without claim submission of actual acquisition cost
 - Establish clinic dispensing limits
- Basic principles
 - Use Medi-Cal basic rate whenever possible
 - Medi-Cal basic rate includes the CDF
 - If Medi-Cal rate isn't available, Family PACT sets rate
 - CDF is added to the Family PACT rate
 - Applies only to dispensed drugs, not injected



Clinic Dispensing Fees

- Three levels of clinic dispensing fees
 - A: Pharmacist pre-packaged containers
 - \$3.00 per prescription
 - **B**: Manufacturer pre-packaged tubes
 - \$2.00 per prescription
 - C: Contraceptive supplies
 - 10% of fixed rate
 - None: injections, IUCs, implants
 - Continue to claim per Medi-Cal policy



CDFs: FQHCs, Rural Health Clinics

- Based on contractual obligations, some FQHCs and RHCs cannot charge CDF, since "drug dispensing" is factored into visit rates
- Must submit claims at actual drug acquisition cost
- Upper payment limit (not the maximum drug cost) applies to claims
- Decision not to claim CDF is left to providers;
 Family PACT or EDS will not verify
 - Some claims will not include a CDF



Z7610 (Miscellaneous) Drugs

- Includes most antibiotics, all anti-viral and antifungal drugs, and oral estradiol
- The "Family PACT Price Guide" will specify
 - Maximum billing units per claim (tabs, tubes)
 - Fixed Claim Rate per unit
 - Maximum drug cost (maximum units times rate)
 - Clinic dispensing fee
 - Upper payment limit (max drug cost + CDF)
 - Minimum fill frequency



Z7610 (Miscellaneous) Drugs

- The "Family PACT Price Guide" updated biannually
- Generic drug price set at the lower of
 - FUL, or
 - **AWP 17%, times 0.89**
- Single-source (brand name) drugs price set at
 - AWP 17%, times 0.70
 - This 30% discount on "lowest price" is average of all federal and state supplemental rebates
 - Seeks to equalize the net drug cost between pharmacies and clinics

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Z7610 Drugs: UB 92 Claim

Box 84				Box 47	Box 46
Drug Name	Dosage size	# units dispensed times Fixed Claim Rate (subtotal)	Plus CDF	Claim total	Units
Acyclovir	200 mg caps	50 capsules x \$0.15 = \$7.50	\$3.00	\$10.50	1
Butocon- azole	2% SR cream/ tube	1 tube x \$29.33/tube = \$29.33	\$ 2.00	\$31.33	1
Doxy- cycline	100mg tablets	28 tablets x \$0.14 = \$3.92	\$ 3.00	\$11.34	1
Proben- ecid	500mg tablets	2 tablets x \$0.71= \$1.42	\$ 3.00		



Z7610 Claim Adjudication

- At EDS, claims will be reviewed manually
- Using "Z7610 Claims Adjudication Table"
 - Review information in "Remarks" box
 - Find drug name, dose, and regimen in the table
 - Check accuracy of calculation
 - Approve the *lesser* of the
 - Claimed amount
 - "Upper payment limit" for the regimen
 - If remarks box is blank, the claim will deny



X1500 Contraceptive Supplies

- Family PACT has set a "Fixed Rate per unit" for each category of contraceptive supplies
 - Rates listed in the Family PACT Price Guide
- The total claim amount cannot exceed the Medi-Cal X1500 limit of \$14.99
- To determine reimbursement, compute
 - Subtotal: number of units dispensed times the Fixed Rate
 - CDF: multiply the sum of supply costs by 10%
 - Add Subtotal + CDF = amount of the claim



Clinic Dispensed Supply Claim Examples (X1500):

	Remarks Box 84 (form UB 92) Box 47/							
Reserved	Reserved for Local Use Box 19 (form HCFA 1500) Box 24 F							
Supply Name	Unit	# units dispensed times	Plus	Claim	"Units"			
		fixed claim rate (subtotal)	10%	total	on claim			
			CDF					
Male condoms	1	30 condoms @	\$ 0.84	\$ 9.24	1			
	condom	\$0.28/condom = \$8.40						
Spermicidal 1.4 oz.		1 can (40 grams) @	\$ 0.84	\$ 9.24	1			
foam	can	\$0.21/gram = \$8.40						



Other Drug X Codes

- Formulary drugs with rates specified by Medi-Cal
 - X7706 (oral contraceptives)
 - X7716 (Azithromycin 250mg tablets)
 - X7722 (emergency contraception)
 - X7728 (contraceptive patch)
 - X7730 (contraceptive vaginal ring)
- The amount in the <u>Medi-Cal</u> basic rate table is the Fixed Claim Rate, which *includes* the dispensing fee
- This figure is multiplied by the number of units dispensed and entered in the "charges" box
- In the "units" box, list the number of units dispensed



Clinic Dispensing Limits

BC Method	Unit limit	Fill Frequency
OCs (X7706)	13 cycles	14 days/cycle*
Patch (X7728)	4 boxes (12 patches)	30 days/ box
Ring (X7730)	4 rings	30 days/ring
Plan B (X7722)	2 units/event	6 units/year
DMPA (X6051)	1 injection	70 days
IUC (X1522, X1532)	1 IUC	1 year
Barrier (X1500)	\$14.99	14 days*



Putting It All Together

- Specify a single formulary for pharmacy and clinic dispensed drugs and contraceptive supplies
- Establish fixed reimbursement rates for clinic dispensed drug and contraceptive supplies
- Implement clinic dispensing fees
 - Adherence with W&I Code 14132.01 (AB77)
- Refine the Z7610 claims system
 - Apply certain "limits" on clinic-dispensed drugs, as with pharmacy-dispensed drugs



Plans for Implementation

- Publication of Medi-Cal Bulletin: Feb 16, 2007
 - Fixed Claim Rate on Medi-Cal codes: immediate
 - Z7610, X1500 rate tables: May 1, 2007
- Publish Family PACT "Program Letter:" Feb 16,2007
 - Explain new billing procedures
 - Family PACT Price Guide
- Publish "Using the Family PACT Formulary" Clinical Practice Alert: April 2007
- Offer statewide provider trainings
- After effective date, work with EDS to fix "bugs"



- Ms. A is a 21-year-old established client seen for annual who is a current OC user
- PMH negative; normal LMP 2 wks ago
- BP, breast, and pelvic exam normal
- Pap, preg test, GC, and chlamydia done
- 13 cycles of OCs dispensed
- Office visit took 15 minutes



Billable

S-code: S10.2

E/M (99213)

OCs (X7706) x13

Do not Bill

Pap smear

Lab slip: S10.2

Chlamydia

Gonorrhea

Lab slip: S10.2

Tests not indicated for Ms. A

Pregnancy test



b

optional

UB 92 Billing

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1		OFFICE VISIT	99213	080106	1	2200
2		ORAL CONTRACEPTIVES	X7706	080106	13	15600
3						
4						
5						:
6						

						OTHER DIAG. CODES				
	67 PRIN.	DIAG. CD.	68 CODE	69 (69 CODE 70 CODE				72 CODE	73 CODE
	S	102								
	79 P.C.	80	PRINCIPAL PI CODE	ROCEDURE DATE	81	OTHER PROC	CEDURE DAT	E	OTHER PROC	EDURE DATE
						Α			В	
		(OTHER PROC	DEDURE DATE		OTHER PRO	CEDURE DAT	E	CODE OTHER PROC	EDURE DATE
١			C			D			E	

84 REMARKS L2 13 PACKS NORGESTIMATE AND ETHINYL ESTRADIOL x \$12ea =\$156



- Ms. C is a 34-year-old woman with an HSIL on Pap 3 wks ago; seen for colposcopy
- Using DMPA, last shot 12 weeks ago
- Vaginal discharge present for 2 weeks
- Wet mount: Candida present
- Colposcopy: 2 biopsies + ECC
- Dispensed Monistat-3 cream
- DMPA 150mg IM injection given



Billable

S-code: S20.2

- E/M (99212)
- Wet mount (87210)
 - ICD-9: 112.1 (candida)
- Colpo+biopsy (57454)
 - ICD-9: 795.04
- Supplies (57454 ZM)
 - ICD-9: 795.04
- Miconazole (Z7610)
- DMPA 150 mg (X6051)

Do not Bill

Surgical path

Lab slip: S20.2

Lab slip: 795.04

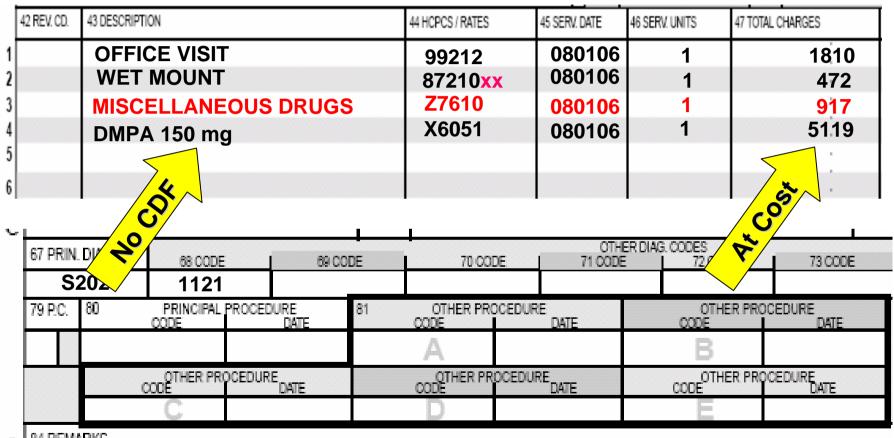
Remember

- Two claims with different 2° diagnosis codes are required.
- Pathology slip needs a 2° diagnosis code





UB 92 Billing



84 REMARKS

b

C

L3 MICONAZOLE 2% 1 tube x \$7.17 + \$2.00 CDF=\$9.17



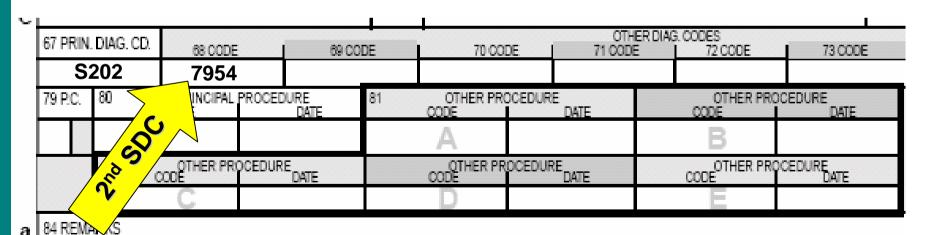


b

C

UB 92 Billing

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1		COLPOSCOPY WITH BIOPSY	57454AG	080106	1	8614
2		SUPPLIES	57454ZM	080106	1	3000
3						:
4						
5						:
6						





- Ms. E is a 32-year-old woman seen with a complaint of vulvar itching x 2 weeks
- Contraception is Mirena IUC
- Exam: single cluster of vulvar ulcers
- Saline and KOH suspensions negative
- Herpes culture performed; sent to lab
- Dispensed acyclovir x 10 days



<u>Billable</u>

S code: S40.2

- E/M (99213 or -14)
- Wet mount (87210)
 - ICD-9: 616.10
- Medication (Z7610)
 - Acyclovir x 10 days
 - ICD-9: 616.50

Do not Bill

- HSV culture
 - Lab slip: S40.2
 - **Lab slip: 616.50**
- HSV typing not covered

Remember

- Include 2 secondary diagnosis codes on the superbill
- Submit 2 claims





UB 92 Billing

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1		OFFICE VISIT	99213	080106	1	2400
2		WET MOUNT	87210XX	080106	1	472
3						:
4						
5						
6						

67 PRIN. DIAG. CD.		68 CODE 68		89 CODE 70 CODE		OTHER D	DIAG. CODES 72 CODE	73 CODE
S	402	61610						
9 P.C.	80	PRINCIPAL PROC	EDURE DATE	81	OTHER PROCED	URE DATE	OTHER PROC	EDURE DATE
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	(OTHER PROCED	JRE DATE		OTHER PROCEC	OURE DATE	OTHER PROC	EDURE DATE
		C.			D		E	

84 REMARKS

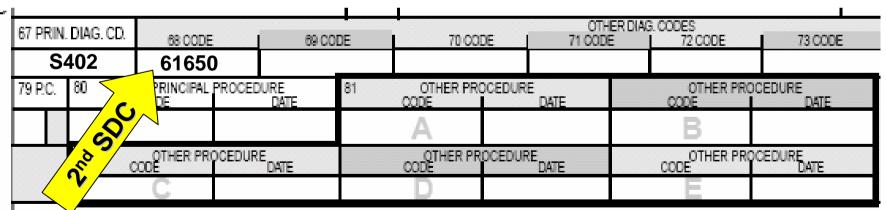
b c





UB 92 Billing

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1	MISCELLANEOUS DRUGS	Z7610	080106	1	990
2					
3					
4					i i
5					
6					,
5					



84 REMARKS

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L1 ACYCLOVIR 400MG TAB#30 \times \$0.23 = \$6.90 + CDF \$3.00=\$9.90



- Ms. F is a 28-year-old woman whose male partner was diagnosed with gonorrhea
- She has no symptoms
- Using Nuva Ring as contraceptive method
- Diagnostic tests for gonorrhea and chlamydia obtained and sent to lab
- Dispensed
 - Ceftriaxone 125mg IM
 - Azithromycin 1gm PO



<u>Billable</u>

S-code: S10.2

- E/M (99213 or -14)
- Medication (Z7610)
 - Azithromycin
 - ICD-9: V01.6
- Medication (X5864)
 - Ceftriaxone
 - ICD-9: V01.6

Do not Bill

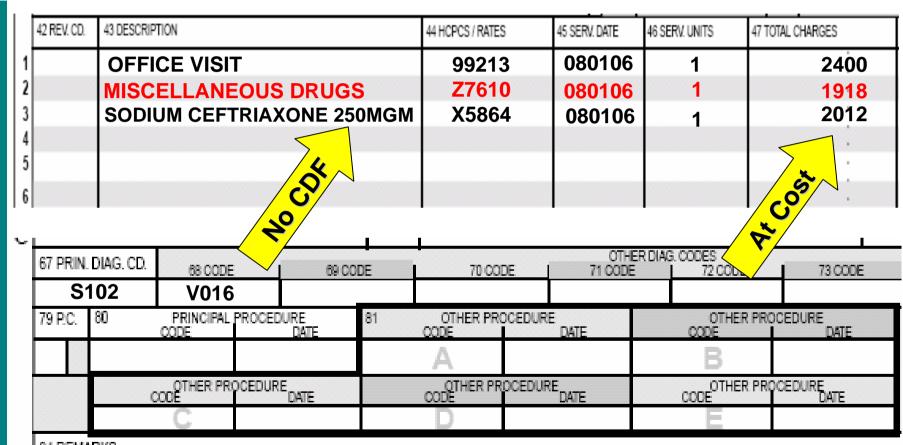
- Chlamydia
- Gonorrhea
 - Lab slip: S10.2

<u>Remember</u>

Use the ICD-9 code that indicates she was exposed to an index case



UB 92 Billing



84 REMARKS

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L2 AZITHROMYCIN 1GM PACKET @ \$17.18 + CDF \$2.00=\$19.18



- Ms. J is a 40-year-old new patient with irregular menstrual periods
- In a new relationship; unprotected intercourse 2 days ago
- Oriented to Family PACT (10 minutes)
- After exam, dispensed by clinician
 - 2 packs of Plan B
 - 10 condoms
 - Spermicidal film (box of 10)
 - Lubricant (100gm tube)



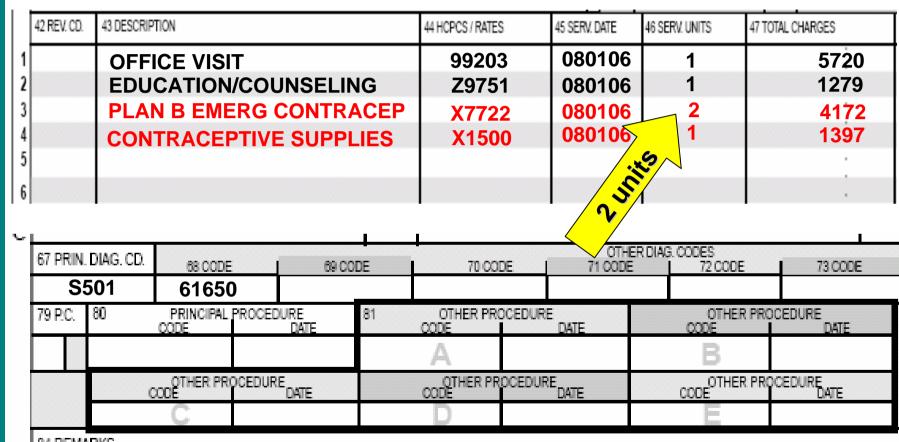
Billable

S-code: S50.1

- E/M (99203)
- E&C (Z9751)
- Plan B (X7722) x 2 cycles
- Contraceptive supplies (X1500)
 - 10 condoms
 - 10 VFC Film
 - 100gm lubricant



UB 92 Billing



84 REMARKS

L4 10 CONDOMS x 0.28= \$2.80; 10 FILM x 0.69= \$6.90; 100GM LUBE x 0.03= \$3.00

ST = \$12.70 + CDF \$1.27 = \$13.97



- Ms Z is a 24-year-old new client OC user with "bumps on my vulva"
- Exam shows extensive genital warts
- Partner has warts on his penis, but he doesn't like doctors and won't come in
- Dispensed
 - Imiquimod (Aldara) 2 boxes
 - 100 condoms



Billable

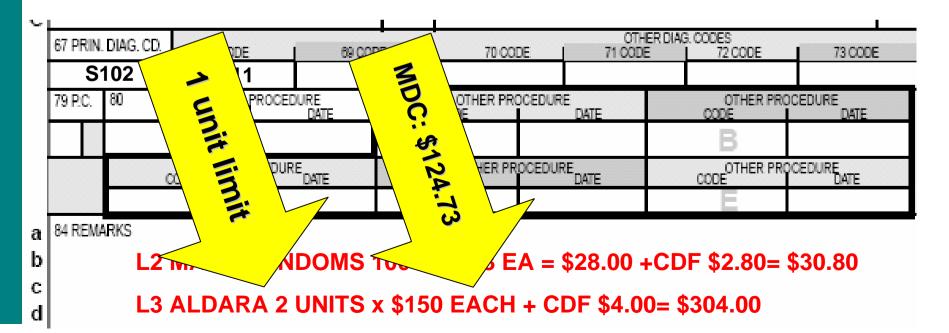
S-code: S10.2

- E/M (99203)
- Contraceptive supplies (X1500)
 - Condoms
- Medication (Z7610)
 - Imiquimod (Aldara)
 - ICD-9: 078.11 genital warts



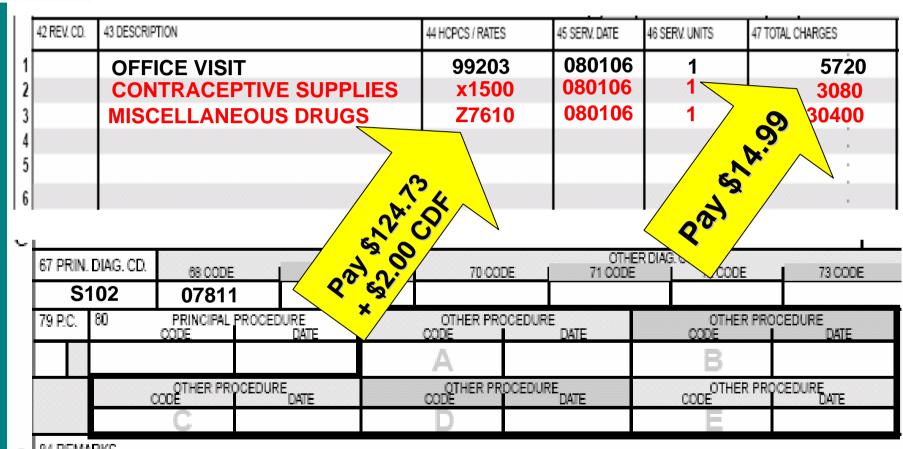
UB 92 Billing

	42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATES	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES
1		OFFICE VISIT	99203	080106	1	5720
2		CONTRACEPTIVE SUPPLIES	X1500	080106	1	3080
3		MISCELLANEOUS DRUGS	Z7610	080106	1	30400
4						
5						
6						i i





UB 92 Billing



84 REMARKS

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L2 MALE CONDOMS 100 x \$0.28 EA = \$28.00 +CDF \$2.80= \$30.80

L3 ALDARA 2 UNITS x \$150 EACH + CDF \$4.00= \$304.00



For Additional Assistance

- Policy and Benefits: Office of Family Planning
 - Telephone: (916) 650-0414
 - Website: www.familypact.org
 - E-mail: fampact@dhs.ca.gov
- Billing Assistance: Electronic Data Systems
 - Telephone Service Center: (800) 541-5555
- Technical Assistance: Provider Resource Line
 - Telephone: (877) FAMPACT (326-7228)